

FCC Application for Radio Service Authorization
Wireless Telecommunications Bureau; Public
November 2013

3060-0798

Safety and Homeland Security Bureau

SUPPORTING STATEMENT

A. Justification:

1. FCC Form 601 is a consolidated, multi-part application form that is used for market-based and site-based licensing for wireless telecommunications services, including public safety, which are filed through the Commission's Universal Licensing System (ULS). FCC Form 601 is composed of a main form that contains administrative information and a series of schedules used for filing technical and other information. This form is used to apply for a new license, to amend or withdraw a pending application, to modify or renew an existing license, cancel a license, request a duplicate license, submit required notifications, request an extension of time to satisfy construction requirements, or request an administrative update to an existing license (such as mailing address change), request a Special Temporary Authority or Developmental License. Respondents are encouraged to submit FCC Form 601 electronically and are required to do so when submitting FCC Form 601 to apply for an authorization for which the applicant was the winning bidder in a spectrum auction.

The data collected on FCC Form 601 includes the FCC Registration Number (FRN), which serves as a "common link" for all filings an entity has with the FCC. The Debt Collection Improvement Act of 1996 requires entities filing with the Commission use an FRN.

Records may include information about individuals or households, *e.g.*, personally identifiable information or PII, and the use(s) and disclosure of this information are governed by the requirements of a system of records notice or 'SORN', FCC/WTB-1, "Wireless Services Licensing Records." There are no additional impacts under the Privacy Act.

The form 601 is being revised to add a National Security Certification that is applicable to applicants for licenses issued as a result of the Middle Class Tax Relief and Job Creation Act of 2012 (2012 Spectrum Act). Section 6004 of the 2012 Spectrum Act, 47 U.S.C § 1404, prohibits a person who has been, for reasons of national security, barred by any agency of the Federal Government from bidding on a contract, participating in an auction, or receiving a grant from participating in any auction that is required or authorized to be conducted pursuant to the 2012 Spectrum Act.

On June 27, 2013, the Commission released a Report and Order (R&O), FCC 13-88, WT Docket No. 12-357, in which it established service rules and competitive bidding procedures for the 1915-1920 MHz and 1995-2000 MHz bands. See Service Rules for the Advanced Wireless Services H Block—Implementing Section 6401 of the Middle Class Tax Relief and Job Creation Act of 2012 Related to the 1915-1920 MHz and 1995-2000 MHz Bands, Report and Order, FCC 13-88, 28 FCC

Rcd 9483 (2013). The R&O also implemented Section 6004 by requiring that a party seeking to participate in any auction conducted pursuant to the 2012 Spectrum Act certify in its application, under penalty of perjury, the applicant and all of the related individuals and entities required to be disclosed on its application are not person(s) who have been, for reasons of national security, barred by any agency of the Federal Government from bidding on a contract, participating in an auction, or receiving a grant and thus statutorily prohibited from participating in such a Commission auction or being issued a license. The Commission therefore seeks approval for a revision to its currently approved information collection on FCC Form 601 to include this additional certification. The revised collection will enable the Commission to determine whether an applicant's request for a license pursuant to the 2012 Spectrum Act is consistent with Section 6004.

Additionally, the form 601 is being revised to update the Alien Ownership certifications pursuant to the Second Report and Order FCC 13-50 IB Docket 11-133 Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended.

The addition of the National Security Certification and the revision to the Alien Ownership certification result in no change in burden for the revised collection. The Commission estimates that the additional certification will not measurably increase the estimated average amount of time for respondents to complete FCC Form 601 across the range of applicants or for Commission staff to review the applications.

Statutory authority for this information collection is contained in 47 U.S.C. §§ 151, 152, 154(i), 155(c), 157, 201, 202, 208, 214, 301, 302a, 303, 307, 308, 309, 310, 311, 314, 316, 319, 324, 331, 332, 333, 336, 534, and 535.

2. The Commission, in accordance with its statutory responsibilities under the Communications Act of 1934, as amended, uses the information provided by applicants on FCC Form 601 to update its licensing database and to determine where the applicant is legally, technically and financially qualified to provide licensed services and to make proper use of the frequency spectrum.

For third party disclosure requirements, approximately 40% of the PLMRS respondents are required to comply with frequency coordination requirements. There is no additional time burden placed on the respondent for this third party requirement. Again, information about individuals or households, and the use(s) and disclosure of this information is governed by the requirements of system of records, FCC/WTB-1. All information collected is publicly available.

3. Electronic filing is mandatory for certain categories of respondents specified in 47 C.F.R. §1.913 and others have the choice of filing manually or electronically. Approximately 98% of all filings are submitted electronically.
4. This agency does not impose a similar information collection on the respondents. There are no similar data available.

5. In conformance with the Paperwork Reduction Act of 1995, the Commission is making an effort to minimize the burden on all respondents, regardless of size. The Commission has limited the information requirements to those absolutely necessary for evaluating and processing each application and to deter against possible abuses of the processes.
6. Generally, the frequency of filing FCC Form 601 is determined by the applicant and/or licensee. The information is verified at time of renewal, every 10 years, or at the time of modification.
7. This collection of information is consistent with the guidelines in 5 CFR § 1320.
8. The Commission published a 60-day notice which appeared in the Federal Register on September 25, 2013 (78 FR 59024) seeking comment from the public on the information collection requirements contained in this collection. No comments were received on the Paperwork Reduction Act (PRA) as a result of the notice.
9. Respondents will not receive any payments.
10. Respondents may request materials or information submitted to the Commission be withheld from public inspection under 47 CFR §0.459 of the FCC rules.

Information on the FCC Form 601 is maintained in the Commission's system of records notice or 'SORN', FCC/WTB-1, "Wireless Services Licensing Records." These licensee records are publicly available and routinely used in accordance with subsection b. of the Privacy Act, 5 U.S.C. 552a(b), as amended.

The Commission has in place the following policy and procedures for records retention and disposal: Records will be actively maintained as long as the authorization is valid. Paper records will be archived after being keyed or scanned into the database and destroyed when 12 years old. Electronic records will be backed up and deleted twelve years after the authorization is no longer valid.

11. This collection does not address private matters of a sensitive nature, and the PII is covered by the system of records notice or 'SORN', FCC/WTB-1, "Wireless Services Licensing Records".
12. The Commission estimates that 253,120 respondents (applicants/licensees) will file FCC Form 601 applications annually and that the *average* burden per respondent is 1.25 hours.

The Commission estimates that 50% of 253,120 respondents (126,560) will complete the application themselves with no additional assistance and the remaining 50% (126,560) will contract the completion of the form to a law firm or application preparation service.

The Commission estimates the average burden per response to be approximately 1.25 hours for those respondents completing the forms themselves. For those respondents hiring a consultant, we

estimate a burden of approximately 30 minutes (0.5 hours) to coordinate with the consultant.

The estimated annual burden is:

126,560 responses x 1.25 hours = 158,200 hours

126,560 responses x .50 hours = 63,280 hours

Total Annual burden: 158,200 hours + 63,280 hours = 221,480 hours.

The Commission also estimates that between zero and 400 entities will annually file FCC Form 601 applications regarding eligibility for designated entity benefits. We therefore estimate that there will be 400 entities.

The Commission estimates that 50% of 400 respondents (200) will complete the application themselves with no additional assistance and the remaining 50% (200) will contract the completion of the form to a law firm or application preparation service.

The Commission estimates the average burden per response to be approximately one hour for those respondents completing the form themselves. For those respondents hiring a consultant, we estimate a burden of approximately 30 minutes (0.5 hours) to coordinate with the consultant.

The estimated annual burden is:

200 responses x 1 hour = 200 hours

200 responses x 0.5 hours = 100 hours

Annual burden hours: 200 + 100 = 300

TOTAL ANNUAL BURDEN HOURS: 221,480 + 300 = 221,780

TOTAL NUMBER OF RESPONDENTS: 253,120

TOTAL NUMBER OF RESPONSES: 253,120

Commission Rules require that certain applicants obtain frequency coordination prior to submitting their application to the FCC. We estimate that approximately 40% of the total respondents (101,248 respondents) are required to comply with frequency coordination requirements. There is no additional time burden placed on the respondent for this third party disclosure requirement, however, it adds an extra “step” to the application filing requirements. Applicants forward their applications via the non-profit private sector frequency coordinators designated by type of radio service to the FCC. The frequency coordinator then forwards the application and application

remittance to the FCC. The frequency coordinator must file electronically.

“In-House Cost”:

Assuming that 50% of the respondents use personnel comparable in pay to a mid-to-senior level federal employee (GS-13, Step 5) to prepare the collection, we estimate the cost to be about \$48.35 per hour @ 1.25 hours per filing. The cost per filing: $\$48.35 \times 1.25 = \60.44 .

$$126,560 \text{ applications} \times \$60.44 \text{ per filing} = \$7,649,286.40$$

The Commission estimates that 50% will contract the completion of the form to a law firm or application preparation service and will spend approximately 30 minutes (0.5 hours) coordinating this information. Assuming they use personnel comparable in pay to a mid-to-senior level federal employee to coordinate this submission we estimate the cost to be approximately \$48.35 per hour @ 0.5 hours per filing. The cost per filing = \$24.18.

$$126,560 \text{ applications} \times \$24.18 \text{ per filing} = \$3,060,220.80$$

TOTAL IN-HOUSE COST: $\$7,649,286.40 + \$3,060,220.80 = \$10,709,507.20$

13. Cost to the Respondent:

- a. Total annualized capital/start-up costs: \$0.00
- b. Total annualized cost requested to prepare FCC 601 are:

There is no cost to file the application electronically with the FCC

FCC application filing fees:

We estimate that approximately 75% of 253,120 various applications filed require an application fee of \$60-\$385 each. (The balance of the respondents would be exempt from filing fees due to type of entity, i.e. public safety, governmental entities, non-commercial educational broadcast, or because the purpose for which they are filing does not require a fee.)

For purposes of this submission, we estimate the total application fees using an average of \$125 per filing:

$$253,120 \text{ total respondents} \times 75\% \text{ (feeable)} = 189,840 \text{ feeable filings}$$

189,840 filings x \$125 average fee = \$23,730,000

We estimate that 50% of the respondents will contract out the completion of the form and would use an attorney/engineer or application preparation service at a cost of \$300/hour to prepare the FCC 601 and take the consultant 1.25 hours to complete each form.

126,560 applications x 1.25 hours x \$300/hour = \$47,460,000

Regarding respondents of eligibility for designated entity benefits, there is no application fee because the services involved are subject to auctions.

We estimate that 50% of the respondents will contract the completion of the form and would use an attorney/engineer or application preparation service at a cost of \$300 per hour to prepare in 1 hour the FCC Form 601.

200 applications x 1 hour x \$300 hour = **\$60,000**

TOTAL ESTIMATED RESPONDENT COST: \$23,730,000 + \$47,460,000 + \$60,000 = \$71,250,000

14. Cost to the Federal Government:

FCC Form 601 Applications estimated to be filed: 253,120

126,560 applications x 30 mins. (0.50 hrs)
@ \$22.92 per hour (GS-7 Step 5) for an Industry Analyst = \$1,450,378 (Processing)

126,560 applications x 10 mins. (0.166 hrs)
@ \$22.92 per hour (GS-7 Step 5) for an Industry Analyst = \$481,525 (Processing)

Total = \$1,931,903

15. There are no program changes to this collection. There are adjustments to the annual cost burden of \$15,840,000 which are due to an increase in consulting fees from \$200/hour to \$300/hour.

16. The data will not be published for statistical use.
17. The Commission is requesting a continued waiver from displaying the OMB expiration date on FCC Form 601. Granting this waiver will prevent the Commission from destroying excess forms, having to update computer versions and thus reduce waste. All OMB-approved information collections are published in 47 CFR 0.408. This section includes the OMB control number, title of the collection and the OMB expiration date.
18. There is an exception to the "Certification Statement." The annual cost burden is \$71,250,000 instead of \$55,410,000 as published in the 60-day Federal Register Notice on September 25, 2013 (78 FR 59024). There are no other exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods:

This information collection does not use any statistical methods.